bpc BiologicsPrescribers COLLABORATIVE

A PROJECT OF AfPA

PROGRESS & POTENTIAL
in the Biosimilar Market

Biosimilars were introduced to expand patient treatment options, lower health care costs and reduce out-of-pocket spending for patients. Nearly a decade after the first U.S. biosimilar approval, meaningful strides have been made to expand the biosimilar market. But, there is still work to do for biosimilars to reach their full potential.

PATIENTS' ACCESS TO BIOSIMILARS

Biosimilars have opened new doors for patient care, but some barriers remain. Several factors affect patients' ability to access biosimilars:

SITE OF CARE

Many biosimilars are administered by a clinician or clinic and are billed through the medical benefit, not picked up at a pharmacy.

TYPE OF INSURANCE

Patients *without* a Medicare Advantage or employer-sponsored health plan are less likely to be offered biosimilars because insurers have less financial incentive to encourage their use.

PRICING INCENTIVES

Eligible hospitals may prefer originator biologics over biosimilars because of pricing structures, which make brand-name medications more profitable for the hospital.

When biosimilars are available, they expand patients' treatment choices. Yet insurance plan decisions often dictate which treatments patients can actually get.

COST SAVINGS TO THE HEALTH CARE SYSTEM

Biosimilars have undoubtedly saved money for the health system, but there's room for even bigger savings.

Biosimilars have saved the U.S. health system around $25 billion since their introduction. By driving competition, biosimilars have also helped lower the prices of originator biologics, accounting for two-thirds of these savings. For example, drugs like infliximab saw a 45% price drop over four years once they had biosimilar competition.

Despite these achievements, however, biosimilars currently make up only 2% to 3% of the biologics market. With broader utilization, biosimilars have been projected to generate up to an additional $181 billion in savings for the health care system over the next five years.

BARRIERS TO PATIENT ACCESS

Patients continue to face obstacles that limit the full potential of biosimilars.

- Biosimilars don't always lead to lower out-of-pocket costs.
- Insurance plans often decide how much a patient pays, which can limit savings.
- Originator biologics may offer larger rebates to insurers, making biosimilars less available and leaving patients with higher bills.

Biosimilar savings often don't reach patients because their cost-sharing is still based on list prices, not the net prices after rebates. Plus, originator products are sometimes preferred by insurers and their pharmacy benefit managers based on rebates.

IMPROVING ACCESS TO BIOSIMILARS

Biosimilars are FDA approved as safe and effective – and they are capable of generating savings for both patients and the health care system. But challenges like financial incentives, insurance rules and outdated policies are holding back broader uptake.

Steps to strengthen the biosimilar market include:

- Tackling common misconceptions about biosimilars through education.
- Reforming cost-sharing practices to allow patients to benefit from less expensive options.
- Requiring more transparency from pharmacy benefit managers and insurers.

With timely reform, both patients and the health care system can benefit from the full potential of biosimilars providing safe, effective and more affordable treatments.